

Manning & Napier, Inc.  
 Form 10-Q  
 November 10, 2014  
Table of Contents

UNITED STATES  
 SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

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FORM 10-Q

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(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 001-35355

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MANNING & NAPIER, INC.  
 (Exact name of registrant as specified in its charter)

Delaware	45-2609100
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

290 Woodcliff Drive	14450
Fairport, New York	(Zip Code)
(Address of principal executive offices)	

Registrant's telephone number, including area code:  
 (585) 325-6880

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
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Non-accelerated filer	<input type="checkbox"/>	(Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>
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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

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Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Class	Outstanding at November 6, 2014
Class A common stock, \$0.01 par value per share	13,705,419
Class B common stock, \$0.01 par value per share	1,000

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## TABLE OF CONTENTS

	Page
Part I	<u>Financial Information</u>
Item 1.	<u>Financial Statements (unaudited)</u>
	<u>Consolidated Statements of Financial Condition as of September 30, 2014 and December 31, 2013</u>
	<u>1</u>
	<u>Consolidated Statements of Operations for the three and nine months ended September 30, 2014 and 2013</u>
	<u>2</u>
	<u>Consolidated Statements of Comprehensive Income for the three and nine months ended September 30, 2014 and 2013</u>
	<u>3</u>
	<u>Consolidated Statement of Shareholders' Equity for the nine months ended September 30, 2014</u>
	<u>4</u>
	<u>Consolidated Statements of Cash Flows for the nine months ended September 30, 2014 and 2013</u>
	<u>5</u>
	<u>Notes to Consolidated Financial Statements</u>
	<u>6</u>
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>
	<u>19</u>
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>
	<u>38</u>
Item 4.	<u>Controls and Procedures</u>
	<u>38</u>
Part II	<u>Other Information</u>
Item 1A.	<u>Risk Factors</u>
	<u>40</u>
Item 6.	<u>Exhibits</u>
	<u>40</u>

In this Quarterly Report on Form 10-Q, “we”, “our”, “us”, the “Company”, “Manning & Napier” and the “Registrant” refers to Manning & Napier, Inc. and, unless the context otherwise requires, its consolidated direct and indirect subsidiaries and predecessors.

Table of Contents

## PART I—FINANCIAL INFORMATION

## Item 1. Financial Statements

Manning &amp; Napier, Inc.

Consolidated Statements of Financial Condition

(In thousands, except share data)

	September 30, 2014 (unaudited)	December 31, 2013
<b>Assets</b>		
Cash and cash equivalents	\$ 118,857	\$ 125,250
Accounts receivable	24,322	24,140
Accounts receivable—Manning & Napier Fund, Inc.	17,089	16,461
Due from broker	5,567	5,816
Investment securities, at fair value	25,782	21,321
Prepaid expenses and other assets	7,562	8,028
Total current assets	199,179	201,016
Property and equipment, net	6,650	5,424
Net deferred tax assets, non-current	43,839	46,164
Other long-term assets	1,618	—
Total assets	\$ 251,286	\$ 252,604
<b>Liabilities</b>		
Accounts payable	\$ 2,222	\$ 1,476
Accrued expenses and other liabilities	43,729	49,813
Deferred revenue	13,955	12,007
Total current liabilities	59,906	63,296
Other long-term liabilities	2,478	1,444
Amounts payable under tax receivable agreement, non-current	39,126	42,075
Total liabilities	101,510	106,815
Commitments and contingencies (Note 10)		
<b>Shareholders' equity</b>		
Class A common stock, \$0.01 par value; 300,000,000 shares authorized; 13,705,419 and 13,634,246 issued and outstanding at September 30, 2014 and December 31, 2013, respectively	137	136
Class B common stock, \$0.01 par value; 2,000 shares authorized, 1,000 shares issued and outstanding at September 30, 2014 and December 31, 2013	—	—
Additional paid-in capital	213,070	208,988
Retained deficit	(45,905	) (40,544
Accumulated other comprehensive income	—	(1
Total shareholders' equity	167,302	168,579
Noncontrolling interests	(17,526	) (22,790
Total shareholders' equity and noncontrolling interests	149,776	145,789
Total liabilities, shareholders' equity and noncontrolling interests	\$ 251,286	\$ 252,604
The accompanying notes are an integral part of these consolidated financial statements.		

Table of Contents

Manning & Napier, Inc.  
 Consolidated Statements of Operations  
 (In thousands, except share data)  
 (Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
Revenues				
Investment management services revenue	\$ 104,795	\$ 94,647	\$ 307,129	\$ 277,876
Expenses				
Compensation and related costs	51,499	44,935	159,457	140,739
Distribution, servicing and custody expenses	19,921	17,459	58,325	49,869
Other operating costs	9,365	7,706	25,867	23,235
Total operating expenses	80,785	70,100	243,649	213,843
Operating income	24,010	24,547	63,480	64,033
Non-operating income (loss)				
Interest expense	(14	) (14	) (21	) (20